

Private Equity

Apollo's private equity business had approximately \$77 billion in assets under management (AUM) as of September 30, 2020. Our latest private equity fund, Fund IX, closed in 2017 with a record \$24.7 billion of commitments.

An Established Leader in Private Equity

150+

portfolio companies
since inception

\$77bn

AUM

\$24.7bn

Latest Fund IX

As of September 2020. References to "assets under management" or "AUM" are as defined in Apollo Global Management, Inc.'s latest earnings release.

Private equity has been a cornerstone of Apollo's business since its founding in 1990. Imbued with a diverse set of skills developed across market cycles, Apollo pursues many paths to value, including through *opportunistic buyouts and build-ups*, *corporate carve-outs*, and *distressed investments*, and often goes "against the grain" of what other investors are doing, to target investments on behalf of managed funds at deep discounts to market averages. Apollo relies on its industry specialization, willingness to embrace complexity, ability to adapt quickly to capitalize on market dislocations, and creative structuring expertise to capture value "on the buy." It also aims to create value by working with its funds' portfolio companies on operational improvements, with flexible capital structures providing downside protection.

Apollo's private equity business benefits from its integration with the firm's credit business, which is one of the largest alternative credit managers in the industry.

The private equity funds we manage have owned more than 150 companies since Apollo's inception, across sectors that include *financial services*; *business services*; *consumer services*; *chemicals*; *natural resources*; *consumer and retail*; *leisure*; *manufacturing and industrial*; and *media, telecom and technology*. Through steadfast purchase price discipline and active portfolio management, collaborating with management teams and a deep bench of operating executives, the private equity funds we manage have generated strong returns across market cycles, while focusing on downside protection.



Apollo's Success in Private Equity

"We seek out complexity. That's our biggest differentiator. It's how we're able to find interesting deals at prices where people with 20/20 hindsight ask how we got them."

—Scott Kleinman

Co-President of Apollo

Investment Philosophy

Since our founding, our investment philosophy always was, and continues to be, predicated on the following three key themes:

1. The first is **Discipline**, which requires being true to our contrarian, value-oriented model, and knowing when to be cautious and when to lean in to great investment ideas.
2. The second is **Complexity**, which we harness to capture value in idiosyncratic opportunities which others are either unwilling or unable to tackle.
3. The third is **Creativity**, with idea generation fundamental to our work, whether it be the way we design solutions for companies, execute transactions, or develop new structures and products for investors in our funds.

Flexible Investment Model

Apollo believes it has achieved its successful investment record by quickly adapting to changing market environments through its flexible investment approach, centered around three primary pathways to capturing value, including **opportunistic buyouts and build-ups, corporate carve-outs, and distressed investments**.

- **Opportunistic Buyouts and Build-ups.** Apollo has extensive experience completing LBOs across various market cycles, redefining the “traditional LBO” in order to capture value. Apollo takes a highly differentiated approach to investing in these transactions through accretive platform build-ups, take-private transactions that arbitrage public market dislocation, franchise companies in out-of-favor or dislocated industries, and situations that require navigating complicated operational execution.
- **Corporate Carve-Outs.** Apollo believes the funds it manages are among the most active private equity investors in corporate carve-outs, in which a business is extracted from a larger corporate parent to create a stand-alone enterprise, building significant infrastructure around the business. Carve-out transactions are labor-intensive, requiring deep industry knowledge, patience and creativity to unlock value that has been overlooked or undermanaged.
- **Distressed Investments.** Apollo's deep credit expertise, which has been a distinct hallmark of the firm since its beginning, is anchored around fundamental, bottom-up credit analysis, with the ability to invest across the capital structure of a company. Capitalizing on market dislocation and volatility, Apollo relies on its experience in credit to build positions in funds managed by Apollo in the distressed debt of what it believes are “good companies with bad balance sheets” as prices decline. By working proactively through the restructuring process, Apollo is often able to equitize the debt position of its funds to create an attractive investment.

Apollo Impact

The Apollo Impact platform builds upon our history of investing across industries historically aligned with the United Nation's Sustainable Development Goals and a decade-long record of formal ESG engagement with our funds' portfolio companies. The Apollo Impact platform seeks to establish a leadership position in private equity impact investing and to leverage the Firm's expertise, scale and investment philosophy to drive meaningful performance in companies that advance our society.

The Apollo Impact platform plans to focus its efforts in the areas of:

- Economic Opportunity / Education
- Health Safety and Wellness
- Industry 4.0
- Resource Sustainability

The Impact platform's dedicated team is led by established leaders in private equity and impact investing. The Firm believes in the collinear nature of impact and financial performance, and that when companies maximize their impact performance it contributes to superior financial outcomes.

Natural Resources

Apollo has longstanding and deep expertise in natural resources, having invested in the industry since 2001. As an extension of its flagship private equity business, Apollo has built a dedicated natural resources investment franchise, which today has approximately \$5 billion in assets under management. While Apollo's global flagship private equity funds invest in the natural resources space, we identified an incremental need for capital across the *energy, metals and mining*, and *agriculture* sectors and raised dedicated natural resources private equity funds to take advantage of the opportunity. Today, these funds co-invest alongside the flagship funds in larger opportunities as well as pursue smaller compelling opportunities on their own. Apollo's natural resources franchise benefits from: a dedicated investment team with deep industry knowledge; an extensive network of relationships across the *energy, metals and mining*, and *agriculture* sectors; and an ability to create downside-protected portfolios across multiple natural resources sectors focused on delivering attractive risk-adjusted returns.

AION

Apollo opened its office in Mumbai in 2008 with a dedicated team to execute on Apollo's contrarian, value-oriented private equity approach in India. Apollo established AION Capital Partners as a strategic partnership with ICICI Bank Ltd., the largest non-government bank in India, to deliver risk-adjusted returns by investing in equity and/or debt at attractive values and at favorable points within the capital structure. AION's investments are highly structured, a core strength of Apollo's, and provide for equity upside with credit-like downside protection in the Indian market. Today, amidst a high value market environment, AION relies on its flexible investment model

and creative deal and financing structuring capabilities to find pockets of attractive investment opportunities at discounts to relevant market comparables.

How Apollo Creates Value by Building Businesses

Verallia



Verallia is the third largest global manufacturer of glass bottles and jars for the food and beverage industry. In 2017, Verallia produced approximately 16 billion bottles and jars... [read more](#)

Hostess



Hostess Brands, LLC ("Hostess") is a leading sweet goods company in the U.S. with iconic brands that include Twinkies, Ding Dongs, Cup Cakes, Zingers, Donettes and HoHos... [read more](#)

ADT



ADT Inc. ("ADT") is the leading provider of monitored security, interactive home and business automation and related monitoring services, serving approximately 8.3 million residential and commercial... [read more](#)

LyondellBasell



LyondellBasell Industries N.V. ("Lyondell") is one of the world's largest plastics, chemical, and refining companies, employing 13,000 workers at 55 sites across 18 countries... [read more](#)

Disclaimer

Apollo believes these selected case studies should be considered as a reflection of Apollo's investment process, and references to these particular portfolio companies should not be considered a recommendation of any particular security, investment, or portfolio company.

The information provided about these portfolio companies is intended to be illustrative, and is not intended to be used as an indication of the current or future performance of the portfolio companies of the funds Apollo manages. The investments described in the selected case studies were not made by any single fund or other product and do not represent all of the investments purchased or sold by any fund or other product.

The information provided in these case studies is for informational purposes only and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests in any fund or other product sponsored or managed by Apollo or its affiliates. Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum, which will be furnished to qualified investors on a confidential basis at their request.

Portfolio Companies



Acquired 2016

Fund VIII

Consumer Services

Opportunistic Buyout

(Current Investment)

ADT Inc. is an American company that provides r...



+

Acquired 2013

Fund VIII

Leisure

Opportunistic Buyout

(Current Investment)

AGS is innovative developer, manufacturer, and ...

+



Acquired 2015

Fund VIII

Natural Resources

Opportunistic Buyout

(Current Investment)

American Petroleum Partners is a newly formed E...



+

Acquired 2015

Fund VIII

Financial Services

Corporate Carve-out

(Current Investment)

Amissima are life and non-life insurance compan...

+



Acquired 2017

Fund VIII

Consumer Services

Opportunistic Buyout

(Current Investment)

Apollo Education Group is one of the largest fo...



+

Acquired 2014

Fund VIII

Natural Resources

Corporate Carve-out

(Current Investment)

Caelus Energy Alaska, LLC is an independent exp...

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Acquired 2014

Fund VIII

Leisure

Opportunistic Buyout

(Current Investment)

CEC Entertainment is a unique, family-oriented ...



+

Acquired 2017

Fund VIII

Natural Resources

Opportunistic Buyout

(Current Investment)

Chisholm Oil and Gas, LLC is an oil and gas com...

+



Acquired 2017

Fund VIII

Leisure

Opportunistic Buyout

(Current Investment)

ClubCorp is the largest owner and operator of p...



+

Acquired 2016

Fund VIII

Business Services

Opportunistic Buyout

(Current Investment)

Constellis is the leading global provider of in...

+



Acquired 2014

Fund VIII

Natural Resources

Opportunistic Buyout

(Current Investment)

CSV Midstream Solutions Corporation is a Calgar...



+

Acquired 2016

Fund VIII

Leisure

Opportunistic Buyout

(Current Investment)

Diamond Resorts sells vacation ownership intere...

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